# STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

September 9, 2016

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

Hawaii

Annual Renewal of Revocable Permits on the Island of Hawaii. See Exhibit 2 for list of Revocable Permits.

#### HRS CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject action is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing." See Exhibit 1 attached.

#### **BACKGROUND**:

At the end of each calendar year, Land Division reviews its list of current revocable permits issued statewide and determines which ones to recommend to the Board of Land and Natural Resources for renewal for the upcoming year. Generally, those revocable permits in good standing will be recommended for renewal, unless the Board has approved a different disposition for the land covered by a particular permit.

In the past, staff has brought all revocable permits to the Board for renewal in one submittal. At its meeting on December 11, 2015, Item D-14, as amended, the Board directed staff to submit revocable permit renewals by county over four meetings, with an explanation of why a revocable permit is the appropriate disposition and how the rent was set. At its meeting on June 24, 2016, Item D-7, the Board further approved the recommendations of the Department of Land and Natural Resources Revocable Permit Task Force, as amended, requesting all divisions notate any non-compliance issues and pending litigation in the renewal template. In accordance with these directives, staff is submitting the Hawaii Island revocable permits first, including the additional information the Board requested.

#### **REMARKS**:

The list of revocable permits for Hawaii County that staff recommends be renewed for 2017 is attached as Exhibit 2. Included in the exhibit are the permittee names, tax map keys, original commencement date of the permit, character of use, land area, annual rent, method by which staff set the rent and the rationale behind the issuance of a revocable permit. General location maps of the revocable permits to be renewed are attached as Exhibit 6.

Staff has procured a contract with James Hallstrom of The Hallstrom Group/CBRE, Inc. for appraisal consulting services to assist in establishing the scope of work with respect to valuing the rent to charge for the use of State lands underlying revocable permits statewide as of January 1, 2017, and ground rent discounts for tenancy and use restriction, if any. Once the scope is established, a second phase of the contract will be negotiated for appraisal services to set new rents for significantly underperforming assets. Upon receipt of the appraisal report(s) for these assets, staff will obtain the Chairperson's approval for the implementation of new rents, unless the Board would prefer that staff return to the full Board for review of the rents.

As an interim measure, to ensure a reasonable return for the use of public lands, the Board is requested to approve an increase in rents for all revocable permits. Staff recommends that the new rent for each revocable permit be based on a one-time increase of 1.5% of the base rent, multiplied by the number of years since first issuance of the permit, or since the most recent rental evaluation, beginning in 1999. For example, for a revocable permit issued in 1999 with an annual rent of \$1000.00, the rent would be increased by 27.00%, for a new annual rent of \$1,270.00. This increase would be across the board, regardless of the type of revocable permit, or location of the land. Below is a table of the percentage increase in annual rent based on the year that the revocable permit was issued.

YEAR PERMIT ISSUED	RECOMMENDED
OR LAST YEAR RENT	RENT INCREASE
EVALUATED	(% OF BASE RENT)
1999	27.00%
2000	25.50%
2001	24.00%
2002	22.50%
2003	21.00%
2004	19.50%
2005	18.00%
2006	16.50%
2007	15.00%
2008	13.50%
2009	12.00%
2010	10.50%
2011	9.00%

2012	7.50%
2013	6.00%
2014	4.50%
2015	3.00%
2016	1.50%

Beginning in 2017, the annual rent for every revocable permit would be subject to an annual increase of 1.5% until the rent can be appraised at fair market value. Considering that the average annual increase in the consumer price index for Honolulu from 1999 to the present is 2.52%, staff believes that the 1.5% annual increase is a fair compromise, taking into account the various land uses and locations for revocable permits statewide.<sup>1</sup>

There are three revocable permits on Banyan Drive in Hilo covering three resort-hotel properties that were under long-term leases that expired recently. These are Revocable Permit No. S-7867 to Association of Apartment Owners of Country Club Hawaii, Inc., Revocable Permit No. S-7892 to Reeds Bay Resort Hotel, Ltd., and a pending revocable permit to Savio HBH Development Company LLC. Staff has obtained independent appraisal reports on two of the properties and is waiting for the third appraisal report to be completed. Once all the appraisal reports are finished, staff plans to return to the Board with a proposal for adjusting the rents for these three properties in accordance with the appraisals, so that all three permittees receive consistent treatment. For the time being, however, the permits will be subject to the annual increases proposed above. All three properties are located in an area that is being evaluated for redevelopment by the County of Hawaii's Banyan Drive Hawaii Redevelopment Authority, making long-term dispositions impractical for the time being.

The following State and County of Hawaii agencies were consulted on this action with the results indicated:

Agency:	Comment:
Division of Forestry and Wildlife	Will contact LD if they identify parcels that may
,	provide public or staff access to lands they manage.
	Request a blanket clause in RPs that allows for
	DLNR access rights across properties.
Office of Conservation and Coastal	See attached Exhibit 4. With respect to RP S-7166,
Lands	the road authorized by the permit is located at the
	northern end of Wailea Bay and is not in proximity to
	the Puako Boat Ramp. An easement granted to the
	Wailea Property Owners Association (LOD-28,428)
	is closer to the boat ramp and could be the source of
	OCCL's concern.
State Parks	No comments
Historic Preservation	No response by suspense date

<sup>1</sup> Attached as Exhibit 5 is a spreadsheet showing the actual consumer price index increases for Honolulu from 1999 to 2016 (for 2016, information for only the first half of the year is available).

Engineering	No comments
Hawaii District Land Office	Updated status on several RPs
Commission on Water Resource	No response by suspense date
Management	-
Division of Conservation and Resources	No response by suspense date
Enforcement	
Department of Hawaiian Home Lands	No response by suspense date
Department of Agriculture	No comments
Agribusiness Development Corporation	No response by suspense date
Office of Hawaiian Affairs	See attached Exhibit 3
County Planning Department	No response by suspense date
County Department of Public Works	No response by suspense date
Water Board of the County of Hawaii	No comments

#### RECOMMENDATION: That the Board:

- 1. Approve the continuation of the revocable permits listed in Exhibit 2 on a month-to-month basis for another one-year period through December 31, 2017, except for permits that are in arrears of rental payment for more than 60 days and/or have been approved for forfeiture by a separate Board action. Permits in arrears of rental for 60 days or more and/or approved by the Board for forfeiture shall not be renewed; and
- 2. Approve rent adjustments effective January 1, 2017 for the current monthly rent for the revocable permits listed in Exhibit 2 in accordance with the foregoing proposal, provided however, that the Land Board reserves and delegates to the Chairperson the right at any time to review and reestablish new rental charges for revocable permits, to reflect market conditions or the fair market rental for the rights and privileges granted by such revocable permits and to best serve the interests of the State.

Respectfully Submitted,

Richard T. Howard

Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson

#### **EXEMPTION NOTIFICATION**

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title:

Annual Renewal of Revocable Permits on the Island of Hawaii

Project / Reference No.:

Not applicable

Project Location:

Various locations on the Island of Hawaii.

Project Description:

Renew existing revocable permits for a term of one year.

Chap. 343 Trigger(s):

Use of State Land

Exemption Class No.: In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject request for issuance for right-of-entry is exempt from the preparation of an environmental assessment pursuant to Exemption Class 1, "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

The annual renewal of existing revocable permits on State lands involves the continuation of existing uses on the lands. No change in use is authorized by the renewal.

**Consulted Parties** 

Agencies listed in submittal.

Recommendation:

That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

Suzanne D. Case, Chairperson Date \$\frac{28}{128}\$

							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
Ų.	HAWAII - BIG ISLAND						
rp3755	HUKILAU RESORTS - HILO	(3) 2-1-006:078-0000	6/16/1965	Parking	0.092	1,260.00	•Rent set by Board action on 6/25/99, item D-11. •Staff to prepare auction package. DCCA records show the permittee is not registered with DCCA. Staff will require permittee to either register with DCCA before renewing permit, or apply for cancellation and reissuance of permit under a new entity name that is registered with DCCA.
rp4042	HAWAII COUNTY	(3) 2-3-35,37,43;2-4- 01	8/11/1967	Utility	0	0	<ul><li>Rent is gratis.</li><li>RP granted to governmental entity.</li></ul>
rp4135	ROMAN CATHOLIC BISHOP OF HNL	(3) 6-9-005:046-0000	4/1/1968	Parking	0.129	1,512.00	<ul> <li>Rent set by Board action on</li> <li>6/25/99, item D-11.</li> <li>Staff to explore the possibility of a direct lease.</li> </ul>
rp4171	HAWAII COUNTY	(3) 2-1-013:002-0000	6/1/1968	Recreational	113.382	0	<ul><li>Rent is gratis.</li><li>RP granted to governmental entity.</li></ul>

							Comments re rent amount and why
Doc No.	Permittee Name	TMK ·	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp4900	HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL	(3) 4-5-006:003-0000	10/27/1972	Office	0	0	<ul> <li>Rent is gratis, 501(c)(3) entity. Staff recommends charging the minimum allowable rent.</li> <li>Permittee's occupancy assists Division in the maintenance of its property. The building is located within the Honokaa Civic Center housing other State and County entities, making long-term disposition impracticable.</li> </ul>
rp4964	HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL	(3) 7-8-007:028-0000	5/31/1973	Community Use	0.036	0	•Rent is gratis (501(c)(3) entity). Staff recommends charging the minimum allowable rent. •Staff to contact Permittee to see if it still needs the property. If not, staff will contact Parents And Children Together, who shares the parcel, and enter into a direct lease with them.

							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp5101	HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL	(3) 4-5-006:003-0000	1/1/1975	Office	2.392	0	•Rent is gratis, 501(c)(3) entity. Staff recommends charging the minimum allowable rent. •Permittee's occupancy assists Division in the maintenance of its property. The building is located within the Honokaa Civic Center housing other State and County entities, making long-term disposition impracticable.
rp5127	MCCANDLESS LAND & CATTLE CO.	(3) 8-6-001:003-0000	2/15/1975	Pasture	1,258.00	2,940.00	<ul> <li>Rent set by Board action on</li> <li>6/25/99, item D-11.</li> <li>Parcel is landlocked. Staff will explore converting to an access easement and other possible uses of the land.</li> </ul>
rp5326	US: DEPT OF INTERIOR	(3) 2-3-014:012-0000	12/10/1976	Government	0.04	0	Rent is gratis.      RP granted to governmental entity.
rp6022	DALEICO RANCH	(3) 9-3-3:35,36	5/1/1983	Pasture	3.14	156	•Rent set by staff appraisal, reviewed and left unchanged by Board action on 6/25/99, item D-11. •Parcel 35 is landlocked, and parcel 36 is small (1.17 ac.) and irregularly shaped. Both parcels are adjacent to permittee's property. Staff to explore selling parcel 36 as a remnant.

Doc No	Permittee Name	TMK	Lease From	Char of Use	I sed Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp6445	DEPT OF SOCIAL SERVICES	(3) 2-4-049:013-0000	7/26/1986	Baseyard/Storage	0.918		<ul> <li>Rent is gratis.</li> <li>RP granted to governmental entity.</li> </ul>
rp6783	UNITED STATES OF AMERICA	(3) 7-4-008:003-0000	9/1/1991	Cultural	6.929	0	Rent is gratis.  RP granted to governmental entity.
rp6931	KANEKO, KENT	(3) 2-2-050:080-0000	4/16/1994	Industrial	0.258	5,232.00	<ul> <li>Rent set by Board action on 11/16/07, item D-1.</li> <li>Substandard lot size. Staff plans to consolidate adjacent parcels as long-term leases end.</li> </ul>
rp7153	PARKER RANCH, INC.	(3) 5-8-1:2,5,6	8/8/1997	Pasture	981.02	5,616.00	<ul> <li>Rent set by staff appraisal dated</li> <li>July 14, 1997.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7159	HILL, III, HUGH B.	(3) 8-7-1:14; 8-7- 4:5,7,8,9,10	11/1/2000	Pasture	885.65	720	<ul> <li>Rent determined by staff appraisal dated 12/22/98.</li> <li>Staff to explore the possibility of selling a lease at public auction. The smaller parcels have no access from public road.</li> </ul>
rp7166	LALAMILO MAKAI PROPERTY OWNERS ASSN.	(3) 6-6-002:031-0000	6/1/1998	Access	0.456	156	<ul><li>Rent set by staff appraisal 11/07.</li><li>Staff to convert to easement.</li></ul>

				*			Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7193	WB KUKIO RESORTS, LLC	(3) 7-2-4:4; 7-2-6:17	1/1/2000	Pasture	2,572.50	2,916.00	•Rent carried over from Huehue
							Ranch's cancelled RP5930, set by
(4)							Board action on 6/25/99, item D-11.
							<ul><li>Permittee's occupancy assists the</li></ul>
							Division in maintaining its property
							by grazing cattle to mitigate
							potential wildfires. The smaller
							parcel is landlocked. DCCA records
1							show the permittee's registration
							has been administratively
1						(4.	terminated. Staff to require
			ē				permittee to either register with the
							DCCA before renewing permit, or
			190				apply for cancellation and
							reissuance of permit under a new
				*			entity name that is registered with
				æ			the DCCA.
				9			
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rp7369	DEPT. OF TRANSPORTATION	(3) 2-1-12:3; 2-1-13:10	10/1/2003	Access	12	0	•Rent is gratis.
							•RP granted to governmental entity.

					ž.		Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area		no long-term disposition
rp7377	PUNG, ERNEST	(3) 2-3-30:1; 2-3-32:1	3/1/2004	Pasture	89.08		<ul> <li>Rent determined by staff appraisal (animal production formula)</li> <li>5/12/03. RP4282, issued to permittee and commencing 4/1/69, previously encumbered parcel 001.</li> <li>Potential future development makes these parcels unsuitable for long term pasture lease.</li> </ul>
rp7388	KONG, CHARLES M. & VICTORIA MACPHEE	(3) 4-5-011:007-0000	10/1/2004	Pasture	4.583	156	<ul> <li>Minimum allowable rent recommended by staff, which was higher than in-house valuation dated 5/12/04.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7411	DEPT. OF EDUCATION	(3) 4-5-001:012-0000	8/1/2005	Agriculture	11.118	0	<ul><li>Rent is gratis.</li><li>RP granted to governmental entity.</li></ul>
rp7414	KAMILYON, INC.	(3) 9-5-001:007-0000	9/1/2005	Access	0.04	192	<ul> <li>Rent approved by Board on</li> <li>4/22/05, item D-7.</li> <li>Staff to cancel RP and reissue as an access easement.</li> </ul>
rp7440	KAHUA RANCH LIMITED	(3) 5-5-7:8,9	7/1/2008	Pasture	134.86	2,808.00	<ul> <li>Rent set by staff appraisal (animal production formula) 2/29/08.</li> <li>No access from public road.</li> </ul>
rp7441	DEPT. OF LAND AND NATURAL RESOURCES	(3) 2-2-050:081-0000	8/1/2008	Industrial	0.256	0	<ul><li>Rent is gratis.</li><li>RP granted to governmental entity.</li></ul>

						7	Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7446	SCHUTTE, GUY K.	(3) 6-4-31:7,9,10	11/1/2010	Pasture	23.756	324	•Rent carried over from Louella
8							Shutte's cancelled RP7410
							(commenced 7/1/05), by Board
							action on 12/10/04, item D-27.
		2					•Existence of flood settlement pond
							and drainage easement make parcel
							unsuitable for long term lease.
rp7475	DEPT. OF TRANSPORTATION	(3) 6-2-001:015-0000	3/1/2010	Baseyard/Storage	1.6	0	•Rent is gratis.
		4 =					•RP granted to governmental entity.
rp7476	SOUZA, JOHN R.	(3) 4-1-6:2,4	1/1/2010	Pasture	228	912	•Rent carried over from cancelled
							RP6940 (commenced 8/1/95), set
							by Board action on 6/25/99, item D-
	*			9			11.
		92. 97					No access from public road.
rp7496	PONOHOLO RANCH LTD.	(3) 5-8-002:002-0000	1/1/2010	Pasture	73		•Rent carried over from cancelled
y.				,-u			RP6978 (commenced 8/1/95), set
		e w					by Board action on 6/25/99, item D-
		v v	~				11.
rn7400	VIINIMITCII VENI	(2) 2 2 022-010 0000	1/1/2010	Diversified A =	0.5	226	No access from public road.
rp7499	KUNIMITSU, KEN	(3) 2-3-032:010-0000	1/1/2010	Diversified Ag	0.5	336	•Rent carried over from cancelled
							RP6988 (commenced 8/15/91), set
							by Board action on 6/25/99, item D- 11.
							•The parcel is adjacent to
×							Permittee's residence at the end of
		2					a cul de sac. Staff has received no
							outside interest for this property.
							battered interest for this property.

							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7519	COUNTY OF HAWAII	(3) 7-4-020:007-0000	11/1/2010	Government	6	0	•Rent is gratis.
							•RP granted to governmental entity.
rp7531	SULLIVAN, TRUSTEE,	(3) 6-9-002:006-0000	1/1/2010	Landscaping	0.527	2.256.00	•Rent carried over from cancelled
-	WINIFRED A.		, ,				RP6056 (commenced 9/1/83), set
							by Board action on 6/25/99, item D-
		*					11.
			1 2				•Staff to explore selling parcel as a remnant.
rp7536	AKI, WALLACE AH FOOK	(3) 2-1-007:020-0000	2/1/2010	Residential	0.161	3,108.00	Rent carried over from cancelled
							RP4286 (commenced 11/18/68), set
-		3		F			by Board action on 6/25/99, item D-
							11.
	9				×		Potential future Harbor expansion
							makes parcel unsuitable for long
							term lease.
rp7543	PARK, HOON	(3) 2-6-010:087-0000	2/1/2010	Encroachment	0.106	156	•Rent carried over from cancelled
							RP5976 (commenced 12/17/82), set
							by Board action on 12/7/90, item F-
		s					20, reviewed and left unchanged by
							Board on 6/25/99, item D-11. •Staff to cancel Permit.
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							Encroachment on County road right
							of way.
							,

				~			Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7547	EDNIE, RICHARD D.	(3) 6-6-6:2, 3, 4, 5	2/1/2010	Pasture	4.11	156	•Rent carried over from cancelled
							RP5184 (commenced 1/15/76),
	5						which was set by Board action on
							12/7/90, item F-20, reviewed and
				s.			left unchanged by Board on
ti.							6/25/99, item D-11.
							Parcels not zoned for agriculture
							(RS-10).
rp7567	KAILUA KONA VILLAGE DEV	(3) 7-5-007:069-0000	3/1/2010	Parking	0.275	4,392.00	Carried over from cancelled
	GROUP, LLC						RP6603 (commenced 11/1/88), set
							by Board action on 6/25/99, item D-
			-				11.
			5.				•Irregularly shaped substandard
7500		(2) = = ================================	- /- /				parcel
rp7580	BOUGAINVILLEA PLAZA	(3) 7-5-006:034-0000	3/1/2010	Parking	0.412	756	•Rent set by in-house valuation
	LIMITED PARTNERSHIP	2		-			dated 12/16/09. A principal from
							the limited partnership previously
						,	held RP6641, which commenced
			-				1/1/89.
				A			Hawaii County has indicated its
							interest to someday acquire the
29		g					remnant for road and traffic
		2					improvement purposes, making
							long-term disposition infeasible.

							Comments re rent amount and why
	Permittee Name	TMK	Lease From	Char of Use	Lsed Area		no long-term disposition
rp7585	SURETY KOHALA CORPORATION	(3) 5-5-3,6,7,11;5-5-6	5/1/2010	Access & Utility	24.88	156	•Rent carried over from Chanlon's cancelled RP6641 (commenced 5/1/89), set by Board action on 6/25/99, item D-11. Surety Kohala purchased Chalon's assets in 2002. •Staff will recommend to permittee that it apply for an easement to
rp7612	CAFE 100, INC.	(3) 2-2-029:026-0000	7/1/2010	Parking	0.133	876	•Rent carried over from cancelled
							RP6535 (commenced 11/1/87), set by Board action on 6/25/99, item D- 11. •Parking only on land set aside for State Parks. No legal access from public road.
rp7637	KAPAPALA RANCH	(3) 9-8-1:3,6,13	11/1/2010	Pasture	7,273.08	17,496.00	<ul> <li>Rent set by staff appraisal dated</li> <li>9/13/10.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7645	KAAWA, III, DAVID H. AND MADELINE M.	(3) 9-5-12:19,20; 9-5- 13:1	2/1/2011	Pasture	150	840	Rent set by in-house valuation dated 11/5/10.  Unresolved road access issues make parcel unsuitable for long term lease.
rp7646	PARENTS AND CHILDREN TOGETHER	(3) 7-8-007:028-0000	11/1/2011	Miscellaneous	0.045	480	<ul> <li>Minimum allowable rent recommended by staff 12/9/10.</li> <li>Staff to enter into a direct lease with 501(c)(3) entity.</li> </ul>

6							Comments re rent amount and why
Doc No.	Permittee Name	ТМК	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7648	PARKER RANCH, INC.	(3) 5-7-001:015-0000	4/1/2011	Pasture	16.3	156	<ul> <li>Rent carried over from cancelled</li> </ul>
		I					RP7227 (commenced 7/1/00), set
							by staff appraisal dated 6/20/00.
							•Staff to explore the possibility of
*							selling a lease at public auction.
rp7649	PARKER RANCH, INC.	(3) 5-8-002:003-0000	4/1/2011	Pasture	191.35	1 044 00	Rent carried over from cancelled
	Trancer in a con, in co.	(5) 5 6 602.005 6000	7/1/2011	l usture	131.33	1,044.00	RP7228 (commenced 7/1/00), set
					-		by staff appraisal dated 6/20/00.
							•Staff to explore the possibility of
							selling a lease at public auction.
	,	•		Del			
rp7650	PARKER RANCH, INC.	(3) 5-8-002:005-0000	4/1/2011	Pasture	107	480	•Rent carried over from cancelled
1							RP7229 (commenced 7/1/00), set
							by staff appraisal dated 6/20/00.
							•Landlocked parcel.
rp7651	PARKER RANCH, INC.	(3) 5-8-002:006-0000	4/1/2011	Pasture	23.8	156	•Rent carried over from cancelled
	¥	*					RP7230 (commenced 7/1/00), set
							by staff appraisal dated 6/20/00.
1							•Staff to explore the possibility of
							selling a lease at public auction.
							2

							Comments re rent amount and why
	Permittee Name	TMK	Lease From	Char of Use			no long-term disposition
rp7652	PARKER RANCH, INC.	(3) 6-2-001:005-0000	4/1/2011	Pasture	247	624	<ul> <li>Rent carried over from cancelled RP7231 (commenced 7/1/00), set by staff appraisal dated 6/20/00.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7653	PARKER RANCH, INC.	(3) 6-2-001:011-0000	4/1/2011	Pasture	144	432	•Rent carried over from cancelled RP7232 (commenced 7/1/00), set by staff appraisal dated 6/20/00. •Staff to explore the possibility of selling a lease at public auction.
rp7656	DIAMOND HEAD PAPAYA CO. LTD.	(3) 1-3-2:12,99	3/1/2011	Agriculture	125.2	8,508.00	•Rent carried over from cancelled RP7370 (commenced 10/1/03), which was set by in-house valuation dated 8/18/2003. •Board approved transfer to DOA per Act 90.
rp7658	PARKER RANCH, INC.	(3) 5-6-001:035-0000	5/1/2011	Pasture	53.553	156	<ul> <li>Rent carried over from cancelled RP7223 (commenced 7/1/00), set by staff appraisal dated 6/20/2000.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>

							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7659	PARKER RANCH, INC.	(3) 5-7-001:004-0000	5/1/2011	Pasture	853.71	2,016.00	<ul> <li>Rent carried over from cancelled RP7224 (commenced 7/1/00), set by staff appraisal dated 6/20/2000.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7660	PARKER RANCH, INC.	(3) 5-7-001:009-0000	5/1/2011	Pasture	152.29	480	•Rent carried over from cancelled RP7225 (commenced 7/1/00), set by staff appraisal dated 6/20/2000. •Staff to explore the possibility of selling a lease at public auction.
rp7661	PARKER RANCH, INC.	(3) 5-7-001:010-0000	5/1/2011	Pasture	1,610.58	3,792.00	•Rent carried over from cancelled RP7226 (commenced 7/1/00), set by staff appraisal dated 6/20/00. •Staff to explore the possibility of selling a lease at public auction.
rp7662	PARKER RANCH, INC.	(3) 4-4-014:004-0000	5/1/2011	Pasture	101.4	252	•Rent carried over from cancelled RP 7331 (commenced 11/1/02), reviewed and left unchanged by Board action on 6/25/99, item D-11. •Only reasonable access is through permittee's adjacent parcel.

Dan Na	Daniel de la Name	To all					Comments re rent amount and why
	Permittee Name	TMK	Lease From	Char of Use			no long-term disposition
rp7667	BK LIVESTOCK COMPANY, INC.	(3) 9-5-019:001-0000	5/1/2011	Pasture	83.32	420	<ul> <li>Rent carried over from cancelled RP7378 (commenced 4/1/04), set by in-house valuation dated 8/22/03.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7670	LEE, EDWARD A.K. AND LUCIA R.	(3) 1-2-008:001-0000	4/1/2011	Pasture	100	228	•Rent carried over from cancelled RP7296 (commenced 2/1/02), set by staff appraisal dated 7/11/01. •Permittee using only a portion of the parcel.
rp7673	HAWAII COUNTY ECONOMIC OPPORTUNITY COUNCIL	(3) 2-5-006:159-0000	6/1/2011	Educational	23.954	0	•Rent is gratis, set by staff recommendation for 501(c)(3) entity. Previous RP 7346 commenced 5/1/02. •Potential future development makes this parcel unsuitable for long term educational lease.
rp7685	KUAHIWI CONTRACTORS, INC.	(3) 9-5-006:001-0000	4/1/2011	Pasture	200		<ul> <li>Rent carried over from cancelledRP7344 (commenced 6/1/03), set by staff appraisal dated 2/21/03.</li> <li>Permittee using only a portion of the parcel.</li> </ul>

							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7690	KAHUA RANCH LIMITED	(3) 9-5-5:3;9-5-13:1	6/1/2011	Pasture	141	792	<ul> <li>Rent set by in-house valuation dated 11/24/10.</li> <li>No legal access from public roadway.</li> </ul>
rp7693	KUAHIWI CONTRACTORS INC.	(3) 9-5-013:001-0000	6/1/2011	Pasture	472	1,596.00	•Rent carried over from cancelled RP7260 (commenced 4/26/01), set by staff appraisal dated 2/15/01. •Permittee using only a portion of the parcel.
rp7694	B.K. LIVESTOCK CO., INC.	(3) 9-5-019:2, 17	6/1/2011	Pasture	431	1,860.00	•Rent carried over from cancelled RP7095 (commenced 4/1/00), set by in-house valuation dated 8/11/99. •Staff to explore the possibility of selling a lease at public auction.
rp7696	JOSE, PETER H.	(3) 4-1-004:031-0000	6/1/2011	Pasture	65.572	672	<ul> <li>Rent set by staff appraisal dated</li> <li>2/7/11.</li> <li>No access from public road.</li> </ul>
rp7700	DE LUZ, III, FRANK	(3) 4-3-6:5; 4-3-14-1	7/1/2011	Pasture	33.62	168	•Rent carried over from cancelled RP7406 (commenced 6/1/05), confirmed by Board on 12/10/04, item D-27. •Staff to explore the possibility of selling the lease at public auction.

Dog No	Downsitts a Name	That					Comments re rent amount and why
	Permittee Name	TMK	Lease From	Char of Use	Lsed Area		no long-term disposition
rp7705	GOMES, ANTHONY & EDNA	(3) 4-4-010:013-0000	7/1/2011	Pasture	3.554	156	•Rent carried over from cancelled RP7115 (commenced 6/1/98), set by staff appraisal in 4/98, reviewed and left unchanged by Board action on 6/25/99, item D-11. •Staff to explore the possibility of selling the lease at public auction.
rp7708	RAPOZO, III, MANUEL C.	(3) 4-4-3:47; 4-4-3:3	7/1/2011	Pasture	27.32	156	<ul> <li>Minimum allowable rent carried over from cancelled RP7158, which was higher than staff appraisal.</li> <li>Staff to explore the possibility of selling a lease at public auction.</li> </ul>
rp7709	ANDRADE, WALTER D.	(3) 9-5-012:018-0000	7/1/2011	Pasture	320	2,508.00	•Rent carried over from cancelled RP7114 (commenced 3/13/98), set by Board action on 6/25/99, item D-11. •Staff to explore the possibility of selling a lease at public auction.
rp7715	EGAMI, JERRY	(3) 9-6-2:5,10,13	8/1/2011	Pasture	2,310.00	6,240.00	•Rent carried over from cancelled RP7337 (commenced 5/1/03), set by staff appraisal dated 11/7/02. •Sale of lease previously approved by Board.

							Comments re rent amount and why
Doc No.	Permittee Name	ТМК	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7716	HILO TERMITE & PEST	(3) 2-2-050:079-0000	8/1/2011	Commercial	0.356	18,564.00	<ul> <li>Rent carried over from cancelled</li> </ul>
	CONTROL, LTD.					9.	RP7391 (commenced 11/1/04), set
							by Board action on 11/16/07, item
							D-1.
							•Substandard lot size. Staff plans to
							consolidate adjacent parcels as long-
							term leases end.
rp7719	HAWAII EXPLOSIVES AND	(3) 1-7-013:098-0000	8/1/2011	Miscellaneous	1.328	660	•Rent carried over from cancelled
	PYROTECHNICS, INC.				30.0003,440.00,000.00		RP7083 (commenced 5/23/97), set
							by Board action on 11/18/05, item
			.4)				D-17.
							•The parcel is a flag lot surrounded
				÷			by permittee's property. Staff to
	·						explore the possibility of selling a
							lease at public auction.
rp7733	ANDRADE, WALTER D.	(3) 9-5-006:001-0000	9/1/2011	Pasture	1,883.36	9,120.00	•Rent carried over from cancelled
							RP7390 (commenced 12/1/04), set
							by in-house valuation date 6/3/04.
							<ul><li>Permittee's using only a portion of</li></ul>
	9	= *					the parcel.
rp7735	KULANA FOODS, LTD.	(3) 2-7-007:005-0000	9/1/2011	Pasture	191	//02	Rent carried over from cancelled
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		(3, 2, 7, 007, 003, 0000	3, 1, 2011	- usture	191	432	RP7313 (commenced 7/1/02), set
	- F						by staff appraisal dated 7/11/01.
							•No access from public road.
							The decess from public road.

							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7741	COUNTY OF HAWAII	(3) 7-3-010:042-0000	8/1/2011	Parking	0.5	0	•Rent is gratis.
							•RP granted to governmental
				_			agency.
rp7745	HAMAKUA AGRICULTURAL	(3) 4-4-005:002-0000	9/1/2011	Diversified Ag	2.28	156	<ul> <li>Rent carried over from cancelled</li> </ul>
	COOPERATIVE						RP7096 (commenced 5/9/97), 20%
					(8)		of the estimated fair market rental
					==		determined by staff appraiser dated
							8/11/97, reviewed and left
			~				unchanged by Board action on
							6/25/99, item D-11.
							•Staff to explore the possibility of
	2						selling a lease at public auction.
rp7747	LORENZO, RAYMOND	(3) 4-5-1:7,13	9/1/2011	Pasture	163.546	852	Rent carried over from cancelled
		,					RP7417 (commenced 2/1/070, set
1							by Board action on 12/10/04, item
						l .	D-27.
		St.					Both parcels are landlocked.
rp7751	GLOVER LTD., JAS. W.	(3) 2-1-012:004-0000	9/1/2011	Quarry	45	196,020.00	•Rent carried over from
						7-	cancelledRP7262 (commenced
							2/11/01), set by Board action on
			×				11/18/05, item D-17.
							<ul> <li>Permittee is no longer quarrying</li> </ul>
							this property, and only uses a
				10			portion of the parcel for industrial
							use. Staff to change the use
							provision of the RP.

3							Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7758	KAPAPALA RANCH	(3) 9-6-11; 9-8-1	9/1/2011	Pasture	942	4,200.00	•Rent carried over from cancelled
							RP7419 (commenced 12/1/05), by
							staff appraisal dated 4/22/05.
							•Staff to explore the possibility of
							selling a lease at public auction.
7761	CARRAL BANDOLBILLI	(2) 0 6 002 012 0000	0/4/2014	B 1	27	220	
rp7761	CABRAL, RANDOLPH H.	(3) 9-6-002:013-0000	9/1/2011	Pasture	37	228	•Rent carried over from cancelled
							RP7253 (commenced 5/1/01), set
							by staff appraisal dated 10/7/99. •Permittee using only a portion of
							the parcel.
		×					the parcer.
rp7765	SOUZA, RICHARD E. & DONNA	(3) 9-5-012:002-0000	9/1/2011	Pasture	152.16	768	Rent carried over from cancelled
1	LEE			50 500000000000000000000000000000000000	VIII		RP7423 (commenced 6/1/06), set
		5					by Board action on 11/18/05, item
					25		D-17.
							Staff will prepare an auction
							package for sale of lease.
rp7773	ROYAL HAWAIIAN ORCHARDS,	(3) 9-6-002:055-0000	9/1/2011	Agriculture	12	552	•Rent carried over from ML
	L.P.						Macadamia Orchards' cancelled
							RP7424, by staff recommendation
							as approved by Board on 8/27/04,
							item D-3.
							•Staff to explore the possibility to
							sell a lease at public auction.

×			2.	2			Comments re rent amount and why
Doc No.	Permittee Name	TMK	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7774	IGNACIO, DERWIN	(3) 3-5-001:001-0000	9/1/2011	Pasture	39.54	156	<ul> <li>Rent carried over from cancelledRP7363 (commenced 10/1/03), staff appraisal dated 6/27/03 @ \$26/mo.</li> <li>No legal access to parcel.</li> </ul>
rp7776	LUM, TODD	(3) 2-4-005:012-0000	9/1/2011	Pasture	2.59	156	•Rent minimum rent carried over from cancelled RP7361 (commenced 10/1/03), which was higher than the in-house valuation dated 5/30/2003. •Permittee is the Lessee under GL S-5568 for the adjacent parcel. Staff to seek Board's approval for sale of lease at public auction when adjacent parcel's lease ends in 12/8/2018.
rp7779	PUUKAKANIHIA, LLC	(3) 6-4-001:057-0000	9/1/2011	Pasture	14.7	156	<ul> <li>Minimum allowable rent carried over from cancelled RP7254 (commenced 3/1/01), which was higher than staff appraisal dated 11/24/2000.</li> <li>Landlocked parcel with no access from public road.</li> </ul>
rp7786	VOLCANO ISLAND HONEY CO., LLC	(3) 6-9-001:015-0000	9/1/2011	Commercial	4	480	•Rent carried over from cancelled RP7447 (commenced 5/1/09), set by staff appraisal dated 10/7/08. •Permittee is using only a portion of the parcel.

Doc No.	Permittee Name	ТМК	Lease From	Char of Use	I sed Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7789	IWF KKH, LLC	(3) 7-5-006:022-0000	9/1/2011	Concession	0.31		•Carried over from cancelled RP7438 (commenced 12/1/08), set by staff appraisal dated 10/22/08. •RP more appropriate in the event of Kailua Pier expansion. Staff to request Board approve set aside to DOBOR for boating, pier or other appropriate purposes.
rp7791	SANTOS, GWENDOLYN NAOMI	(3) 2-8-010:003-0000	9/1/2011	Pasture	23.69	480	•Minimum allowable rent carried over from cancelled RP7431 (commenced 3/1/07), which was higher than staff appraisal dated 11/24/00. •No access from public road.
rp7809	BOSCHETTI, GIAMPAOLO	(3) 2-1-006:084-0000	12/1/2011	Parking	0.797	9,024.00	<ul> <li>Rent based on staff valuation dated 12/7/10.</li> <li>No access from public road.</li> </ul>
rp7820	VOLCANO ISLAND HONEY COMPANY, LLC	(3) 6-9-001:015-0000	3/1/2012	Commercial	5	192	•Rent carried over from cancelled RP7404 (commenced 3/1/05), set by Board action on 10/27/06, item D-1. •Permittee is using only a portion of the parcel.
rp7827	KUKUIPAHU RANCH, LLC	(3) 5-6-001:001-0000	9/1/2012	Pasture	231.08		•Rent same as Parker Ranch's cancelled RP7222, set by staff appraisal dated 6/2/00. •Landlocked parcel with no access from public road.

			,			2	Comments re rent amount and why
	Permittee Name	TMK	Lease From	Char of Use	Lsed Area		no long-term disposition
rp7829	COUNTY OF HAWAII	(3) 6-6-002:037-A	4/1/2013	Miscellaneous	0.003	0	•Rent is gratis.
							•RP granted to governmental entity.
rp7834	CELLCO PARTNERSHIP	(3) 7-3-049:038-0000	4/1/2015	Telecom Facility	0.5	19,620.00	•Rent set by in-house valuation
							dated 5/15/13.
							•RP covers only a portion of the
						T T	parcel.
rp7838	DACALIO, KIMO I.	(3) 9-6-012:004-0000	8/1/2014	Pasture	150.61	. 480	•Minimum rent allowable by Board,
							approved by Chairperson 2/24/12.
							<ul> <li>Staff to explore the possibility of</li> </ul>
							selling a lease at public auction.
						-	,
rp7841	I. KITAGAWA AND COMPANY, LIMITED	(3) 2-1-07:50,55,56	9/1/2013	Industrial	0.451	11,796.00	•Rent set by in-house valuation
							dated 7/1/13.
				*			Potential future Harbor expansion
						∞	makes parcel unsuitable for long
7044	DEDT. 05 DUDUG 01 5-7-1	(2) 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2					term lease.
rp7844	DEPT. OF PUBLIC SAFETY	(3) 2-4-008:009-0000	6/19/2014	Miscellaneous	279.76	0	•Rent is gratis.
							•RP granted to governmental entity.
rp7847	SOUZA, RICHARD AND DONNA	(3) 9-5-005:003-0000	9/1/2015	Pasture	188	1,440	•Staff recommendation approved
	LEE						by Board action on 6/27/14, item D-
							6.
							<ul> <li>Presently no access from</li> </ul>
							Mamalahoa Highway, and the upper
							portion of the parcel is only
							accessible from a private roadway
					ic:		east of the property.

Doc No.	Permittee Name	тмк	Lease From	Char of Use	Lsed Area	Annual Rent	Comments re rent amount and why no long-term disposition
rp7852	MAZZARINO, ERMINO	(3) 9-4-003:014-0000	3/1/2015	Intensive Ag	2.439		<ul> <li>Minimum allowable rent set by Board on 1/9/15, item D-3.</li> <li>No access to property from public road (steep embankment off Mamalahoa Hwy.).</li> </ul>
rp7867	AOAO OF COUNTRY CLUB HAWAII, INC.	(3) 2-1-005:020-0000	7/1/2015	Hotel-Resort	1.166	48,996.00	•Rent based on staff recommendation, taken from GL3269, which ended 6/30/15. •Short term disposition more appropriate until the Division is able to formulate a plan for the redevelopment of the property.
rp7875	ELECTRICAL WORKERS, LOCAL 1260 BUILDING TRUST	(3) 2-1-007:030-0000	3/15/2016	Residential	0.1627	3,888.00	•Rent carried over from the one- year holdover of GL3164, set by in- house recommendation dated 2/12/15 as approved by Board on 2/27/15, item D-7. •Potential future Harbor expansion makes parcel unsuitable for long term lease.

	,		14				Comments re rent amount and why
	Permittee Name	TMK	Lease From	Char of Use	Lsed Area		no long-term disposition
rp7877	HENRY, I.C. HAUNANI	(3) 2-1-007:024-000	3/15/2016	Residential	0.169	3,840.00	<ul> <li>Rent carried over from the one-</li> </ul>
1.		-		8		**	year holdover of GL3158, set by in-
				ži.	12	2	house recommendation dated
							4/24/14 as approved by Board on
						<u>ga</u>	5/23/14, item D-3.
							<ul> <li>Potential future Harbor expansion</li> </ul>
							makes parcel unsuitable for long
							term lease.
rp7878	BAYLAC, MAYA NICOLE	(3) 2-1-007:021-0000	3/15/2016	Residential	0.163	3,816.00	•Rent carried over from the one-
							year holdover of GL3155, set by in-
=							house recommendation dated
			e e				1/21/15 as approved by Board on
							2/27/15, item D-4.
				2			<ul> <li>Potential future Harbor expansion</li> </ul>
	w						makes parcel unsuitable for long
-		~					term lease.
rp7884	HICKMAN, CO-TRUSTEE,	(3) 2-1-007:031-0000	3/15/2016	Residential	0.184	3,888.00	•Rent sent by In-House
	RODERICK Q. AND GLORIA L.		3.50				recommendation dated 5/22/14.
	HICKMAN						Potential future Harbor expansion
ø							makes parcel unsuitable for long
	>	2		e e			term lease.
					*		

							Comments re rent amount and why
Doc No.	Permittee Name	ТМК	Lease From	Char of Use	Lsed Area	Annual Rent	no long-term disposition
rp7885	RUDOLPH, MICHAEL F. AND	(3) 2-1-007:022-0000	3/15/2016	Residential	0.165	3,828.00	•At its meeting on 2/27/15, item D-
	DORA LEE	*					5, the Board approved the issuance
							of a revocable permit at a rent
							similar to another Ocean View
				8			Estates item, D-4.
							Potential future Harbor expansion
							makes parcel unsuitable for long
	~						term lease.
		LE .					
rp7887	C.W. MAINTENANCE	(3) 2-2-049:014-0000	1/16/2016	Industrial	0.364	16,200.00	•Rent carried over from GL3602.
							Temporary occupancy while
							permittee's new facility is built.
rp7890	ABALOS, RUEL	(3) 2-2-050:083	1/15/2016	Industrial	0.224	11,700.00	•Rent carried over from GL3594.
		*					•The Board approved the sale of
							lease at public auction at its
							meeting on 3/24/16, item D-5.
rp7892	REEDS BARY RESORT HOTEL,	(3) 2-1-005:022	3/15/2016	Resort-Hotel	1.19	35,556.00	•Rent for land only based on
	LTD.						independent appraisal with
							valuation date of 3/15/16.
							•Short term disposition more
							appropriate until the Division is able
		9	101				to formulate a plan for the
	-						redevelopment of the property.
							ı ı



### STATE OF HAWAI'I OFFICE OF HAWAIIAN AFFAIRS

560 N. NIMITZ HWY., SUITE 200 HONOLULU, HAWAI'I 96817

HRD16-7886

June 22, 2016

Richard T. Howard, Land Agent Department of Land and Natural Resources, Land Division Post Office Box 621 Honolulu, Hawai'i 96809 2016 JUN 24 AM 10: 50
DEPT. OF LAND & 3
NATURAL RESOURCES

LAND DIVISION

Re:

OHA comments on "Annual Renewal of Revocable Permits for Hawaii Island"

Hawai'i Mokupuni

Aloha e Mr. Howard:

The Office of Hawaiian Affairs (OHA) received your draft staff submittal to the Board of Lands and Natural Resources (Land Board), dated June 1, 2016. The Department of Land and Natural Resources (DLNR) Land Division proposes to renew 108 month-to-month revocable permits (RPs) held on Hawai'i Island for a one-year period. Exhibit 2 of the draft submittal provides a list of the subject Hawai'i Island RPs.

As noted in the staff submittal, the subject action was prepared in response to the Land Board's directive on December 11, 2015, which requested staff to submit the RP renewals for each county over four meetings, with an explanation of why a revocable permit is the appropriate disposition and how the rent for each permit was set. In addition, DLNR Chairperson Suzanne Case convened the DLNR Revocable Permits Task Force to revisit and evaluate the existing protocols and criteria for RPs and to make recommendations for improvements to the RP system. At the time of this letter's writing, the DLNR Revocable Permits Task Force is scheduled to present its report and recommendations to the Land Board on June 24, 2016.

As drafted, OHA has a number of concerns regarding the presentation of the Hawai'i Island revocable permit list and the process for renewal of these RPs.

First, the staff submittal does not set forth a clear action for the Land Board. The staff submittal presents the action as an "annual renewal" but has been released for interagency review

Richard Howard, DLNR Land Agent June 22, 2016 Page 2

in June, rather than near the usual timeframe for annual renewals at the end of the calendar year. The Recommendation section similarly requests that the Land Board "[a]pprove the continuation of the revocable permits in Exhibit 2 on a month-to-month basis for another one-year period through December 31, 2017." Such a timeframe would exceed the one-year maximum length allowed by Hawai'i Revised Statutes (HRS) § 171-55.

Second, the staff submittal also appears premature given the pending presentation of the DLNR RP Task Force. Presumably, the Hawai'i Island annual RP renewal, as well as the annual RP renewals for Kaua'i and O'ahu that have also been released for interagency review, would be subject to the RP Task Force recommendations adopted by the Land Board. Given the pendency of the Task Force presentation to the Land Board, all three staff submittals would invariably need to be revised and re-released for interagency comment.

Third, unlike action on the island-wide revocable permits, the Land Board did ask Land Division to provide additional information about three RPs by the end of June 2016. At its December 11, 2015 meeting, the Land Board specifically directed Land Division staff to:

return to the [Land Board] in June 2016 with a report on three specific permits: RP 7867 to the Association of Apartment Owners of Country Club Hawaii, Inc., RP 5127 to McCandless Land & Cattle Co., and RP 7193 to WB Kukio Resorts, LLC. Specifically, the Board expressed its desire to revisit the rent charged under RP 7867, and assess whether RPs 5127 and 7193 should be continued past June 2016.<sup>1</sup>

We have been unable to find RP 7867, RP 5127, or RP 7193 on any Land Board agenda in 2016. Although these three RPs are found in the Exhibit 2 master list of RPs for Hawai'i Island, no mention is made of the Land Board's prior directive from the December 11, 2015 meeting.

Finally, should the division choose to move forward with this submittal notwithstanding the pending RP Task Force recommendations, including recommendations regarding the content of submittals involving RPs, we would ask that the Exhibit 2 master list of RPs be revised to include the following:

- 1. Page numbers and a sequential listing of RPs, which will facilitate discussions of the RPs by the Land Board members and public;
- 2. The trust land status of the subject parcel(s);
- 3. The date of the last affirmative review of the permit holder's compliance with the most recent permit terms;
- 4. The amount of water diverted, for those RPs involving water; and
- 5. Comments to justify the reasons against a long-term disposition (currently provided inconsistently between RPs listed in Exhibit 2) and a discussion of pending challenges to the land uses contemplated under each permit, such as the challenges raised to the

<sup>&</sup>lt;sup>1</sup> Minutes for the Meeting of the Board of Land and Natural Resources (Dec. 11, 2015), pp. 24-25, available at http://files.hawaii.gov/dlnr/meeting/minutes/151211-minutes.pdf.

Richard Howard, DLNR Land Agent June 22, 2016 Page 3

proposed transfer of RPs S-7054, S-7234, S-7267, S-7246, and S-7432 to the Agribusiness Development Corporation.

Mahalo for the opportunity to provide comments on the draft staff submittal for the Hawai'i Island RPs. We look forward to a review of a revised submittal following Land Board action on the RP Task Force report and recommendations. If you have any questions, please contact Everett Ohta, OHA Lead Compliance Specialist, at 594-0231 or everetto@oha.org.

'O wau iho nō me ka 'oia 'i'o,

Kamana opono M. Crabbe, Ph.D.

Ka Pouhana, Chief Executive Officer

KC:eo

DAVID Y. IGE





#### STATE OF HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES

OFFICE OF CONSERVATION AND COASTAL LANDS POST OFFICE BOX 621 HONOLULU, HAWAI'I 96809

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA FIRST DEPUTY

JEFFREY T. PEARSON P.E.

AOUATIC RESOURCES BOATING AND OCEAN RECREATION
BURGAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND RESERVE COMMISSION

LAND STATE PARKS

Correspondence: HA 16-248

REF:OCCL:TM

#### **MEMORANDUM**

TO:

Richard T. Howard, Land Agent

Land Division

FROM:

Samuel J. Lemmo, Administrator

Office of Conservation and Coastal Lands

The Office of Conservation and Coastal Lands (OCCL) has reviewed the list of Revocable Permits (RP) for Hawai'i Island. We note 22 RP parcels lie within the Conservation District and have attached relevant information based upon our files, records and research.

RP 7166 appears to have alleged unauthorized improvements upon it consisting of an encroachment to extend parking near the Puakō Boat Ramp and an unauthorized road created for a private residence near the shoreline access parking lot at WaiLea Bay. What is authorized for this parcel is the University of Hawai'i Marine Center.

We note there are a number of parcels for pasture and water. Should improvements be proposed such as fences or water lines, please have the permittee consult with the OCCL to determine what type of authorization, if any, would be required for the land use. Pursuant to the Hawai'i Administrative Rules (HAR) Chapter 13-5, "Land use" means:

- The placement or erection of any solid material on land if that material remains on (1)the land more than thirty days, or which causes a permanent change in the land area on which it occurs;
- The grading, removing, harvesting, dredging, mining, or extraction of any (2)material or natural resource on land;
- (3)The subdivision of land; or
- The construction, reconstruction, demolition, or alteration of any structure, (4)building, or facility on land.

Should you have any questions regarding this memorandum, contact Tiger Mills of our Office at (808) 587-0382.

RP	TMK	USE	SUBZONE	AUTHORIZATION	Comments
7377	23030001	Pasture	General	*	No Structures [N/S]
				CDUPS 1650;1704;1839;1898;	
7844	24008009	Misc-Prison	Resource/General	1900;2305;2944	Kulani Prison
7463	26009000	water	Limited		N/S Leased area=0
7735	27007005	Pasture	Limited	CD along stream	N/S
7747	45001013	Pasture	Limited	CD along coast	N/S
7585	55006000	Access/Utility	Resource	CD along coast	N/S
7440	55007009	Pasture	Resource	CD along coast	N/S
7661	57001010	Pasture	Resource		N/S Across Lapakahi
			,		UH Marine Center; Boat Ramp Improvements Encroaching; Permits for Marine Center and Access; Additional road
7166	66002031	Access	Resource	CDUP2574/3532	created for private residence
7786	69001015	Commercial	General	CDUP3186	Bee Apiary
7820	69001015	Commercial	General	CDUP3186	Bee Apiary
7193	72004004	Pasture	General	CDUP 2961/3021	Roads /Utilities
7425	73049038	Telcom-Skynet	General	CDUP3656	Telcom on Wheels
7834	73049038	Telcom-Cellco	General	CDUP3656	Telcom on Wheels
6783	74008003	Cultural	Resource	CDUP 1237	Harbor
7360	89003083	Water	General		N/S; <u>haif</u> CD leased area =.459/ Road
7715	96002005	Pasture	Limited/Resource		Roads
7432	96006000	Water	Resource/Protective		N/S Parcels9, 10 15-18 are in CD; leased area = .182
7234	97001001	Water	Resource/Protective		N/S leased area =.006
7267	97001001	Water	Resource/Protective		N/Sleased area = 0
7426	97001001&15	Water	Resource/Protective		N/S leased area = 0
7054	97001000	water	Resource/Protective		N/S

## CONSUMER PRICE INDEX HONOLULU ALL URBAN CONSUMERS

% INCREASE **FOR YEAR CPI ANNUAL ANNUAL % PERMIT ISSUED AVERAGE INCREASE** YEAR 1999 173.3 52.36% 2000 176.3 1.73% 49.77% 178.4 1.19% 48.00% 2001 2002 180.3 1.07% 46.44% 43.11% 2003 184.5 2.33% 2004 190.6 3.31% 38.53% 33.49% 197.8 3.78% 2005 2006 209.4 5.86% 26.09% 4.83% 20.29% 2007 219.504 2008 228.861 4.26% 15.37% 0.52% 14.78% 2009 230.048 2010 234.869 2.10% 12.42% 8.38% 2011 243.622 3.73% 2012 249.474 2.40% 5.84% 3.98% 2013 253.924 1.78% 2.50% 2014 257.589 1.44% 1.49% 1.00% 2015 260.165 2016 264.038 \* 1.49%

<sup>\*</sup> ONLY THE FIRST HALF 2016 CPI NUMER AVAILABLE AT THE CURRENT TIME.

